GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1967
ANSWERED ON:24.08.2007
MICRO FINANCE INSTITUTION BY NABARP
Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

(a) whethe; NABARD has recently decided to start a Micro Finance Institution;

(b) if so, the details thereof; and

(c) the time by which the scheme is likely to be implemented?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c): NABARD is entrusted with the responsibility of promoting micro finance sector besides, scaling up the SHG-Bank Linkage. Accordingly, NABARD decided to restructure Karnataka Agri Development Finance Company Ltd. (KADFC) into a Micro Finance Institution (MFI) on a pilot basis with the objective of developing it as a model Non-Banking Financial Company MFI. KADFC will be renamed as NABARD Financial Services Ltd (NABFINS) and will operate as a subsidiary of NABARD with NABARD having not less than 51% of equity. This MFI may start operating during the year 2007-08.